

Membership Balance Plan Defense Business Board

Agency: Department of Defense

- 1. Authority:** The Secretary of Defense, pursuant to the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 CFR § 102-3.50(d) (Agency Authority), established the Defense Business Board (hereafter referred to as “the Board”).
- 2. Mission/Function:** The Board, under the provisions of FACA, shall provide the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations on overall DoD management and governance.

3. Points of View:

The Board shall be composed of not more than 25 members; DoD, in selecting individual members for this advisory committee, looks for individuals with: (a) a proven track record of sound judgment in leading or governing large, complex private sector corporations or organizations; and (b) a wealth of top-level, global business experience in the areas of executive management, corporate governance, audit and finance, human resources, economics, technology, and healthcare. Depending upon the matters being reviewed by the Board the emphasis on membership criteria may vary, but in general DoD places increasing emphasis on individuals with proven track record in leading or governing large, complex organizations. The Department has found that viewing complex issues through a multi-discipline advisory committee provides DoD senior leadership and, more importantly the American public, with a broader understanding on which to base subsequent policy decisions.

As one of the Department’s senior boards, the Secretary of Defense has determined that the chairpersons of the other senior boards – the Defense Policy Board and the Defense Science Board – may attend Board meetings as non-voting ex officio members. In their capacity as ex officio members, these individuals may provide advice to the Board on areas governed by their respective Boards, provided the information has been voted on by their respective membership and is available to the general public.

The Secretary of Defense or the Deputy Secretary of Defense may appoint former Board members based upon their subject matter expertise and the matters under deliberation by the Board to serve as non-voting Senior Fellows to assist with institutional knowledge and provide continuity of operations.

The Director of the Office of Management and Budget and the Comptroller General of the General Accounting Office shall serve as non-voting observers of the Board. According to DoD policy and procedures, the Secretary of Defense may invite or appoint experts or consultants, with special expertise, to assist the Board on an ad hoc basis.

Each member, based upon his or her individual and professional experiences, provides his or her best judgment on matters before the Board, and he or she does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members appointed by the Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 and to

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serve as special government employees. Board members shall be appointed on an annual basis by the Secretary of Defense.

The Secretary of Defense may approve the appointment of Board members for one to four year terms of service; however, no member, unless authorized by the Secretary of Defense, may serve more than two consecutive terms of service. This same term of service limitation also applies to any DoD authorized subcommittees.

The Board's membership balance is not static and the Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense or the Board's sponsor. In addition, the Department, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD established or supported advisory committees.

- 4. Other Balance Factors:** Candidates for appointment come from the private sector, and individual appointments are based on the subject matter being reviewed by the Board and a review of the individual's executive and corporate management skills, experiences, and knowledge.

- 5. Candidate Identification Process:**

The Department, in selecting potential candidates for this advisory committee, reviews the educational and professional credentials of individuals with extensive backgrounds in the areas of primary interest to the Board. Potential candidates are identified by the Board's professional staff and, in some instances, based upon discussions with other DoD officers or employees.

Once potential candidates are identified, the Board's Designated Federal Officer (DFO) reviews the credentials of each individual and narrows the list of candidates. During his or her review, the DFO strives to achieve a balance between the professional credentials of the individuals and the near-term subject matters that the Department anticipates will be reviewed by the advisory committee.

After the DFO has narrowed the list of candidates and before formal nomination to the Secretary of Defense, the list of potential candidates undergoes a review by the DoD Office of General Counsel and the Office of the Advisory Committee Management Officer to ensure compliance with federal and DoD governance requirements; for example, compliance with the advisory committee's charter and membership balance plan. Following this review, the DFO formally nominates the potential candidates to the Secretary of Defense for approval; pursuant to DoD policy only the Secretary of Defense and the Deputy Secretary of Defense can invite or approve the appointment of individuals to advisory committees established or supported by the DoD.

Following the Secretary of Defense approval, the approved candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

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Board members, with approval of the Secretary of Defense, may be appointed to serve one to four year terms of service on the Board; Board members may not serve more than two terms of service on the Board. Board vacancies are filled in the same manner as described above.

- 6. Subcommittee Balance:** The Department, when necessary, and consistent with the Board's mission and DoD policies and procedures may establish subcommittees, task groups, or working groups deemed necessary to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense, the Deputy Secretary of Defense or the advisory committee's sponsor.

The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of subcommittee members in the same manner as Board appointments are made, and these individuals may come from the parent committee or new nominees, as recommended by the advisory committee's sponsor and based upon the matters under consideration.

As required by the Board's charter, these subcommittees operate under the provisions of FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b), governing Federal statutes and regulations, and governing DoD policies/procedures.

- 7. Other:** The DoD adheres to the rules and regulations issued by the Office of Government Ethics and the administration's prohibition against registered federal lobbyists.

- 8. Date Prepared:** January 20, 2012